

**SCHEDULE 2 TERMS FOR THE STOCKS AND SHARES ISA**

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The terms set out in this Schedule applies in addition to the terms set out in the Schedule 1 if you hold or are considering holding a stocks and shares ISA with WealthKernel. If there is a conflict between this Schedule and Schedule 1, this Schedule will take priority.

Please note that WealthKernel will be the ISA Manager and be entirely responsible for the provision of ISA manager services.

**1. DEFINITIONS**

HMRC	His Majesty's Revenue and Customs.
ISA	means an Individual Saving Accounts, as provided for in the ISA Regulations; and for the purpose of this Schedule refers to a stocks and shares ISA
ISA Manager	WealthKernel Limited.
ISA Regulations	means the Individual Savings Account Regulations 1998 (SI1998/1870) as amended from time to time.

**2. ELIGIBLE CLIENTS**

2.1 If you are an individual aged 18 or over you may subscribe for an ISA with us, if you are:

1. a UK resident;
2. performing duties as a Crown employee serving overseas and paid out of the public revenue of the United Kingdom (typically a serving member of the armed forces, or a diplomat), or
3. married to, or in a civil partnership with, such a person.

2.2 In addition, we will not be able to accept any payments into an existing ISA during any period that you do not meet one of the criteria in section 2.1 above.

### **3. HOW DO YOU INVEST IN AN ISA?**

- 3.1 You may subscribe to an ISA for the current tax year and each subsequent tax year by sending funds from your bank or transferring a current tax year ISA. You may do so by bank transfer, transfer of cash from an existing portfolio held with WealthKernel or by transfer from another ISA manager (subject to HMRC's ISA transfer rules).
- 3.2 You can only transfer to a WealthKernel ISA as a 'Cash' transfer. Currently, WealthKernel does not allow the option to transfer to our ISA 'in specie' which is where the existing assets are not sold and are reregistered to WealthKernel from the existing ISA manager.
- 3.3 You are permitted to subscribe to an unlimited number of ISAs within each tax year. The total of contributions to be invested in any tax year cannot be more than the maximum permitted to be invested in an ISA by the ISA Regulations for that tax year. Please note it is your responsibility to ensure that any payments into your ISA are within the annual limit.
- 3.4 Your ISA investment will commence on the day WealthKernel has both a valid application and receipt of your first subscription, or where you are transferring to WealthKernel from another ISA manager, on the day WealthKernel has both a valid transfer application form and receipt of the proceeds of transfer from your previous ISA manager.

### **4. HOW IS THE ISA MANAGED?**

- 4.1 WealthKernel will invest your ISA in accordance with your instructions and these terms, and subject always to the requirements of HMRC.
- 4.2 For each new tax year, all contributions to your Account will be allocated first to your ISA until the maximum subscription is reached for that year, or until your own pre-set limit. Once the maximum subscription or your own pre-set limit is reached, future contributions are allocated to the non-ISA remainder of your Account.
- 4.3 If WealthKernel decides to delegate any of our functions or responsibilities under this Schedule, WealthKernel will first satisfy itself that such person is competent to carry out any of those functions and responsibilities delegated.

### **5. OWNERSHIP**

- 5.1 You must always remain the beneficial owner of any investments held in your ISA and you must not dispose of or transfer any interest in any investment while it is held in your ISA. Additionally you must not create any charge or security on or over any investments held in your ISA; for example you must not use them as security for a loan.
- 5.2 Your investments will be registered in the name of WealthKernel Nominee Limited. Share certificates and other documents evidencing title to investments held in your ISA will be held by WealthKernel. Please see Schedule 1 above for the terms governing the custodian service.

### **6. SHAREHOLDER RIGHTS**

- 6.1 You can ask WealthKernel through your Introducer to arrange for you to:
  - 1. attend and/or vote at shareholders' and securities holders' meetings; and
  - 2. receive annual reports and accounts, and any other information issued to shareholders and security holders.
- 6.2 Please note that WealthKernel reserves the right, on providing prior notice, to charge you a fee purely to cover its administrative costs in making these arrangements.

## 7. DISCLOSURE

- 7.1 You authorise WealthKernel to disclose to HMRC all such information as required by law. Your Introducer will notify you by email if, by reason of any failure to satisfy the provisions of the ISA Regulations, your ISA has or will become void.

## 8. TRANSFERS

- 8.1 You can transfer all of your ISA, together with all rights and obligations, to another ISA manager (the **"New ISA manager"**). If you want to transfer your whole ISA to the New ISA manager then WealthKernel will transfer all subscriptions you have made in the current tax year and previous tax years, if applicable. We do not allow partial transfers to new ISA managers, you must transfer all the funds held within your ISA with WealthKernel.
- 8.2 When WealthKernel receives through your Introducer your written instructions WealthKernel will transfer your ISA to the New ISA manager in accordance with the ISA Regulations. WealthKernel will carry out the transfer within accordance with ISA Regulations, which will not exceed 30 calendar days.
- 8.3 You can only transfer out to another ISA manager as a 'Cash' transfer. This means that all assets and investments within your ISA will be sold and transferred to the new ISA manager to reinvest the funds. Currently, WealthKernel does not allow the option to transfer out to another ISA manager 'in specie' which is where the existing assets are not sold and are reregistered to the new ISA manager. Please note that during a cash transfer, unlike an inspecie transfer, you will be exposed to market risk on your investments while they are liquidated and sent to your new provider as cash when only then they can then be reinvested. With market movements in prices from the date the investments are sold and purchased this does mean you may get less or more investments for the cash transfer amount.

## 9. WITHDRAWALS AND CANCELLATION

- 9.1 You can also instruct WealthKernel through your Introducer to transfer to you all or part of your ISA and any interest, dividends, rights or other proceeds arising from them, or sell all or some of the investments in your ISA and pay you the sale proceeds in respect of your investments (a **"Withdrawal"**). WealthKernel will complete the **Withdrawal** within a reasonable period that may take up to 30 calendar days from the date WealthKernel receives your instruction through your Introducer.
- 9.2 Please note any withdrawals will cause the withdrawn investments to lose their tax-efficient status. Amounts invested into your ISA and later withdrawn will still count towards your relevant annual ISA allowance.

Cash withdrawn from your ISA can be replaced within the same tax year without counting towards your annual subscription limit.

Replacement deposits must be made with the same provider from where the cash being replaced was withdrawn.

Please note any withdrawals not replaced in the same tax year will cause the withdrawn investments to lose their tax-efficient status.

- 9.3 In addition to the ability to withdraw from your ISA, you may also cancel your ISA if you meet the requirements set out in the “Cancellation Rights” provided for in Schedule 1. Exercising your cancellation rights within the relevant period will mean that your investments will be treated as never having entered the ISA, and so will not count towards your annual ISA allowance.